

**Bear River Water Conservancy District
Board Meeting
Wednesday, January 27, 2010 7:00 p.m.
Bear River Water Conservancy District Conference Room
102 West Forest Street, Brigham City, Utah 84302**

Minutes

Present: Trustees: Chairman Clinton Burt, Financial Chairman LaRall Thompson, Brent Baugh, Dave Forsgren, Commissioner Brian Shaffer, Brent Rose, Richard Day, Bruce Christensen and Charles Holmgren.

Staff: General Manager Voneene Jorgensen, System Operator Robert Phippen and Administrative Assistant Judy Hartvigsen

Visitors: Bill Bigelow and Bill Luce (Hansen, Allen & Luce), LuAnn Adams (Box Elder County)

Excused: Vice Chairman Ross Rudd and Board Member Stan Stokes

Invocation: Board Member Dave Forsgren

Adoption of the Agenda

There were no changes to the agenda.

A motion was made by Board Member Dave Forsgren to adopt the agenda as presented. The motion was seconded by Commissioner Brian Shaffer. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Rose, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

Adoption of the Minutes for the meeting held December 16, 2009

A copy of the draft minutes was included with the packet mailed to the Board Members. There were no changes to the minutes.

Commissioner Brian Shaffer moved to approve the minutes of December 16, 2009 as recorded. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Rose, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

Chairman Burt welcomed new Board Member Bruce Christensen who was appointed on January 19, 2010 to represent Brigham City and stated Financial Chairman LaRall Thompson was reappointed to another four-year term.

Trustees Oaths – LuAnn Adams

Box Elder County Recorder LuAnn Adams gave the oath of office to new board member Bruce Christensen and re-appointed member LaRall Thompson.

Chairman Burt complimented the General Manager on the effort to classify the aquifer in the Bothwell Pocket and stated it was a lot of work and those involved knew what they were doing. The hearing went well and we have a strong case for the classification. General Manager Jorgensen commended the County for the new zoning ordinance regarding waste management they have adopted.

Bear River Water Conservancy District:

CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE EXECUTION OF AMENDED BOND CLOSING DOCUMENTS FOR THE LOCAL BUILDING AUTHORITY OF THE BEAR RIVER WATER CONSERVANCY DISTRICT, UTAH LEASE REVENUE BONDS, SERIES 2008; AND RELATED MATTERS

General Manager Voneene Jorgensen explained the resolution will amend the easements in the bonding documents so they can be corrected and match the recorded easements that contain the South Willard pipeline. She explained the documents that need to be amended. The documents were completed and recorded for the bond but prior to the installation of the pipeline, Randy Marriott requested a change in the location of the pipeline. The District obtained a new easement and it has been recorded. The resolution is necessary so that the bonding documents contain the new easement. The District must pass a resolution to authorize the building authority to change the easements specified in the bonding documents.

Commissioner Brian Shaffer moved to adopt Resolution 2010-01 authorizing the Building Authority of the Bear River Water Conservancy District to execute the amended bond closing documents for the Utah Lease Revenue Bonds, Series 2008. The motion was seconded by Board Member Brent Rose. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Rose, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

Board Member Richard Day moved to close the regular meeting of the Bear River Water Conservancy District Board of Trustees and open the meeting of the Building Authority of the Bear

River Water Conservancy District. The motion was seconded by Board Member Brent Baugh, Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Rose, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

Local Building Authority:

CONSIDERATION OF THE ADOPTION OF A RESOLUTION AUTHORIZING THE EXECUTION OF AMENDED BOND CLOSING DOCUMENTS FOR THE AUTHORITY'S LEASE REVENUE BONDS, SERIES 2008; AND RELATED MATTERS

Board Member Richard Day made a motion to adopt Resolution 2010-01 LBA authorizing the execution of amended bond closing documents for the authority's lease revenue bonds, Series 2008. Board Member Brent Rose seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Rose, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

A motion was made by Board Member Richard Day to close the meeting of the Bear River Water Conservancy District Building Authority and open the regular meeting of the Bear River Water Conservancy District Board of Trustees. Board Member Brent Baugh seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Rose, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

Board Member Brent Rose excused himself from the meeting at 6:30 p.m.

Kendall Morris - Acme Water Company

Kendall Morris of Acme Water Company addressed the Board and explained they have done the preliminary plan for a pump station on the new well they have drilled and have used approximately half of the funds appropriated to them by the District Board. Bill Bigelow of Hansen Allen & Luce has been working with them and has completed a preliminary drawing for a basic cement building. Mr. Morris asked for more assistance from the District to continue with the engineering on the project to have final drawings completed and assistance with getting state approval. The building will house the pump and valves for the system. They have approximately \$1,500.00 left from the previous allocation. Commissioner Shaffer suggested obtaining help from Rural Water. Mr. Bigelow explained his proposal for developing plans, getting state approval and readying the project for bid is approximately \$36,000 in engineering costs that include drawings and bid documents. He estimated \$14,000 additional cost for engineering during construction.

General Manager Jorgensen explained Acme Water Company must have a signed document from an engineer in order to obtain an operating permit from the state. She stated that Mr. Bigelow would have to be involved enough to be able to sign the document. The District is willing to help

with inspections and she stated the District will need a contract with Acme Water Company to protect both parties and be clear on accountability and liability.

The Board discussed involvement in other projects. Board Member Forsgren clarified that the District's assistance is not for any construction but for the design and engineering. Board Member Day expressed concern that we have to be careful with more assisting because there are a lot of water companies that could be coming in. Mr. Morris explained they do not expect the District to provide all of the funding. General Manager Jorgensen stated every entity has been dealt with on an individual basis and there has not been a set amount of funds given to others. She stated the District has not helped Acme Water Company in the past.

Board Member Dave Forsgren moved to grant Acme Water Company another \$5,000 for a total of \$10,300.00 committed to Acme and it would give them \$6,500.000 left towards their engineering costs.

Commissioner Brian Shaffer asked whether they would be required to use the services of Bill Bigelow. Board Member Forsgren answered it would be a grant for them to put toward the project and they would pay any amounts above that to whoever they use. Commissioner Brian Shaffer seconded the motion. The discussion continued regarding help the District has previously given to other entities including Howell, Grouse Creek, Willard and Snowville. Commissioner Shaffer asked whether there are funds in the budget and General Manager Jorgensen explained there is money in the Exploration & Studies account for things like this.

A vote was taken on the motion. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

South Willard Project Update

Bill Bigelow gave a project update for South Willard. He explained the contractor has been concerned about the number of cracks in the reservoir and he wrote an email stating he thought there was a problem with the design. The structural engineer is certifying that the design is solid. The first issue is why there are more cracks than would be normally expected. The second issue is what to do about it. The tank is leaking too much and not passing the required leak test. They have been looking at options for sealing the cracks. The contractor was asked to get cost estimates. Mr. Bigelow explained different options of seeding with concrete or using a flexible membrane applied to the inside of the tank on the lower six feet. This would be a 100% fix. The problem is actually the contractor's responsibility unless he can show some reason he is not liable. The contractor has asked the District to consider helping to pay for repairs but the District has not responded yet. The contractor has already spent \$8,000 to chisel the cracks on the outside and fill them again. This did not seem to work because the water was still leaking through the repaired cracks. Chairman Burt and Mr. Bigelow agreed the cracks need to be fixed from the inside.

Mr. Bigelow then reported the pipelines are complete and there are just a few items left on the punch list for completion of the pump station.

Board Member Reports – Trustees

LaRall Thompson: did not have a report but addressed Commissioner Brian Shaffer and expressed his appreciation for his re-appointment to the Board by the County Commission.

Brent Baugh: reported he talked to Curtis Marble of West Corinne Water Company and was told on the advice of their attorney, their Board has elected to stay neutral on the issue of the aquifer classification in the Bothwell Pocket. Board Member Holmgren stated West Corinne Water has finished their reservoir and are continuing to work on their well. Board Member Baugh stated he was told they are considerably under budget on the project and going ahead laying the pipeline.

Bruce Christensen: No report

Dave Forsgren: reported on the Honeyville project. The tank floor and walls have been poured but the weather has slowed the progress of putting on the top. The pipeline and pressure reducing stations are complete. Honeyville City has been discussing with Brigham City, the LDS Church and the District regarding the provision of fire flow to a proposed new Stake Center in Harper Ward. Honeyville City will be a prime candidate to provide fire flow to the Harper Ward system. Chris Wight and his staff are putting together a master plan for Honeyville that will include some provision for fire flow water in Harper Ward. The plan is scheduled to be presented to the Honeyville City Council in March. Honeyville City can then begin talking more seriously about providing the fire flow to Harper Ward. There will still be some areas without fire flow due to the existing infrastructure in Honeyville. It is probably a \$225,000 investment to get the fire flow to the church property. Board Member Day stated the County Planning Commission has approved the church development.

Brian Shaffer: reported there will be seven offices for election in the County this year. The offices of Assessor and Treasurer will be separated. The commission also separated the offices of Recorder and Clerk creating two new offices. The Auditor office and two Commissioners seats will also be up for election.

Richard Day: reported the County Planning Commission will re-visit the fire flow issue again. He believed there has to be some practical application involved.

Charles Holmgren: reported the Canal Company will be having elections in a month from tonight and he will miss the next meeting. He is running unopposed for his seat but there are some seats he mentioned that will be voted on.

There is a meeting tomorrow for the water users for the lower Bear River distribution. They will hire and set a budget for the river commissioner who keeps track of water rights issues.

The Canal Company and the Bear River Water Users Association met with their attorney and Bob Fotheringham regarding his water right application in Cache County. The attorney instructed them not to withdraw their protest at this time.

Pacificorp has asked for them to continue to protest a water right application at Bear Lake called the Black Bear Resort. They entered into an agreement with Pacificorp's attorney but they later decided not to go with Pacificorp because the Canal Company Board feels they have adequate protection and mitigation water to protect their water rights.

At their meeting, the Canal Company also discussed moving to create new classes of water stock in the Canal Company to accommodate development such as Industrial Stock as opposed to Irrigation Stock. Procter & Gamble is part of the reason they are looking at supplying industrial water.

Board Member Holmgren then reported he got his cloud seeder going. There is a new technician for the generator and it is working better this year.

Chairman Burt reported Board Member Rose mentioned they got a lot of snow last week on the Park Valley side.

Board Member Holmgren stated he had been looking on the internet and it looks like Bear Lake is not frozen. It is a frustration because the lake will continue to evaporate if it is not frozen.

Clint Burt: reported he read an article that the ice is only 2" thick on the edges and they were warning the sisco fishermen.

He then reported the assessment was paid on the property for the Indians steam development.

Bruce Christensen reported on the progress of the well being drilled by Brigham City. They are anticipating about 1000 gpm from the 900 ft. well. Some of the water is artisan and is flowing.

General Manager's Report

General Manager Jorgensen provided the Board with a hand-out from the Utah Water Outlook showing the Bear River Basin snowpack data. She read the percentages of snowpack, soil moisture levels and reservoir storage. The surface water supply index is only at 29% and that is a concern. She then reported on the Weather Modification Program that started December 1st. They seeded one storm in December. It has been very dry. There are 23 sites for generators in Eastern Box Elder County and 10 sites for Northwest Box Elder County. The program will continue until March 31st.

The Rural Water Conference will be held March 1-5 and the Water User's Workshop will be held March 15-17. Both conferences are in St. George. She encouraged board members to attend the conferences and asked those interested to let us know.

The adopted budget has been sent to the State Auditor. The audit is now in progress. Steve Crane will be compiling the financial statements again this year. It looks like there is some net income but there will be some year end adjustments. We have stayed within our budget for 2009.

Request for Water

Reese Anderson has asked the District for water again in the Bothwell pocket. This is the third or fourth time he has requested water. He has not been successful in obtaining water from the Bothwell Water Company. We have a letter of denial from James Bingham denying him service from the Bothwell Water Company. General Manager Jorgensen asked for authorization from the Board to look into the possibility of extending our line. Our line currently ends at 12000 North on

10000 West where Stevenson Farms Subdivision ends. The extension would be about ½ mile. She got an estimate of \$65,000 for the extension. We have also looked into getting a grant from BRAG. They provide grants of up to \$100,000 if the qualifications are met. Extending the line another ½ mile would allow us to intercept the West Corinne line and give them an emergency back-up connection. She showed a map of the area and pointed out the location of our line, Mr. Anderson's property, West Corinne's system and other potential water users. General Manager Jorgensen would like to look into the options to provide water service in that area. Our policy is not to go into someone else's service area unless the petitioner has been denied service by the water provider. Board Member Day stated we need to look seriously at providing water to help those people but we need to be careful. Board Member Thompson stated it may take a year or two but there will be some building when they know there is water. The discussion continued with options available. Mr. Anderson could act as a developer and install the line to be reimbursed by others who want to connect. The District has a policy in place that a developer would have to construct a line to our specifications and then it would become part of the District's system. Bill Bigelow indicated that if the line extension is added to our master plan, the impact fee could be increased to recover some of the construction costs. General Manager Jorgensen will talk to Mr. Anderson to determine how to proceed on this issue.

South Willard Capital Facilities Plan Update

General Manager Jorgensen reported the Capital Facilities Plan and Impact Fee Study is being reviewed at Hansen Allen & Luce and will be completed shortly. When she gets the finished copy she will send copies to the Board Members to review and make comments. Hopefully we can adopt the plan at our meeting in February. Then at the March meeting, she would like to be able to pass and approve the impact fees for South Willard. We will go through the complete process with the notices and public hearing.

Master Plan Update

The BRWCD Master plan was originally done in 2003 and was updated adding South Willard in 2005. She requested spending some of the Exploration & Studies funds to update the master plan. We need to update all of the areas with any changes that have been made and the growth potential. We need to address fire flow because of regulations coming from the County. We also need to include the Bear River Development and plan for the use of our allocation of 60,000 a.f. from the Bear River Storage Project. The pipeline study has determined 957 different routes from the Washakie Site to the Slaterville Diversion shown on computer. The committee has selected 15 to look at and then they will narrow it down to 3. They are asking where we will want our turn-outs. We want to be able to access the water from all of the County. The state will be doing a master plan in the next five years. We will need to know where and how we are going to manage, use and treat that water. She wants to include and study where we can help with economic and industrial needs, possibly working with the Canal Company. We want to find out if there are any aquifer storage recovery opportunities for the county that we could be using our Bear River Development water for. She asked for the Board's approval to obtain a proposal from Hansen Allen & Luce to do the Master Plan update.

Board Member Dave Forsgren made a motion to obtain a proposal from Hansen Allen & Luce to update the BRWCD Master Plan. Board Member Richard Day seconded the motion. Chairman Burt,

Financial Chairman Thompson and Board Members Holmgren, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

**Financial Business – LaRall Thompson
Approval of the Financial Statement**

The financial statements were prepared and included in the packet that was mailed to the Board Members. General Manager Jorgensen called the Board's attention to the financial statement regarding the final amounts of property taxes received and the income from water sales.

Board Member Dave Forsgren made a motion to approve the financial statements as presented. Commissioner Brian Shaffer seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

Public Comment

There were no public comments.

Adjourn

Board Member Brent Baugh moved to adjourn the meeting. Financial Chairman LaRall Thompson seconded the motion. Chairman Burt, Financial Chairman Thompson and Board Members Holmgren, Christensen, Baugh, Forsgren, Day and Shaffer voted in favor of the motion.

The meeting adjourned at 8:45 p.m.